

## Appendices

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## **Appendix A: Baltimore City Council Resolution on the Creation of a Task Force on Inclusionary Zoning**

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The City Council established the Task Force on October 31, 2005 by passing the following resolution.

UNOFFICIAL COPY

Introduced by: Councilmember Young, President Dixon, Councilmembers D'Adamo, Reisinger, Conaway, Branch, Mitchell, Kraft, Clarke, Rawlings Blake, Holton  
Introduced and read first time: June 6, 2005  
Assigned to: Land Use and Transportation Committee  
Committee Report: Favorable with amendments  
Adopted: October 31, 2005

1 **Task Force on Inclusionary Zoning**

6 **Recitals**

13 In an era of constricting resources, cities have had to be creative in addressing the demand  
14 for affordable housing. Local zoning is a powerful tool that can create requirements and  
15 incentives to promote the development of affordable housing within the private market.  
16 Inclusionary housing programs produce benefits across the community to seniors on fixed  
17 incomes, young parents and single parent families seeking communities with good schools and  
18 amenities, and businesses who need to hire and retain good employees.

26 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That a task  
27 force is created to study the prospect of creating an inclusionary zoning and housing plan in

dlr05-0342~enr/06Dec05  
ccres/cb05-0066R~2nd/af nbr

1 Baltimore City to increase the supply and distribution of adequate, affordable housing across the  
2 City so that we can better meet the needs and demands of current and future residents.

3 ~~AND BE IT FURTHER RESOLVED, That the task force consists of representatives from each of~~  
4 ~~the following:~~

5 ~~(1) Members of the Planning Commission~~

6 ~~(2) Representatives of the City Council~~

7 ~~(3) The Development Community~~

8 ~~(4) The Coalition of CPHA, BRIDGE, and Innovative Housing Institute~~

9 ~~(5) The Baltimore Development Corporation~~

10 ~~(6) The Department of Real Estate~~

11 ~~(7) A National Expert on Inclusionary Zoning~~

12 ~~(8) Major Employer(s)~~

13 ~~(9) Community Representation~~

15 AND BE IT FURTHER RESOLVED, That the Task Force consists of the following 13  
16 voting members:

17 (1) a member of the Planning Commission chosen by the Commission;

18 (2) a representative of the City Council chosen by the President;

19 (3) a representative of the development community chosen by the Task Force;

20 (4) a representative of CPHA chosen by its organization;

21 (5) a representative of BRIDGE chosen by its organization;

22 (6) a representative of Innovative Housing Institute chosen by its organization;

23 (7) a representative of Baltimore Development Corporation (BDC) chosen by its  
24 President;

25 (8) a representative of the Department of Real Estate chosen by the Comptroller;

26 (9) a national expert on inclusionary zoning as chosen by the Task Force;

27 (10) a community representative chosen by the Task Force;

28 (11) a representative of the Department of Housing and Community Development  
29 (DHCD) chosen by its Commissioner;

1           (12) a representative of the Greater Baltimore Board of Realtors (GBBR) chosen  
2           by the organization; and

3           (13) a representative of the Maryland Multi-Housing Association chosen by the  
4           organization.

5           AND BE IT FURTHER RESOLVED, That the representative from CPHA shall serve  
6           as Chair of the Task Force, which shall meet, as the Task Force determines, from November  
7           2005 through April 2006.

8           AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to those entities that  
9           are to comprise the Task Force and to the Director of the Mayor's Office of Council ~~Services~~  
10          Relations.

## **Appendix B:**

### **Powerpoint Presentation on Interest and Goals**

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#### **Baltimore City Task Force on Inclusionary Zoning Interests and Goals of Task Force Members, Participants, and City Officials for Development in Baltimore City April 4, 2006**

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March 21 Task Force Session

#### **The Question: What would you like to see in terms of development in Baltimore City?**

Why This Question?

- ★ Talking about “development” elicits people’s views on market situation, housing needs, neighborhood health, public policy.
- ★ Talking about “development” elicits both optimism and concern.
  - People are excited that Baltimore City is achieving economic progress and that there is growing interest outside of Baltimore to move into the City.
  - There is also great concern that many who already call Baltimore home, some for several generations, will not have the opportunity to be a part of this economic progress.
- ★ A cross-section of public, non-profit and private sector leaders are all invested in the development of Baltimore City and have a range of important ideas as to how they would like to see development happen. An inclusionary housing policy would need to take into consideration all these interests.

#### **Topic Areas That Are Emerging**

- ★ Scale of development
- ★ Kind of communities development should aim to create
- ★ Linkage of housing with other factors affecting quality of life
- ★ Regional context

#### **Recurring Themes**

- ★ Repopulate the City
- ★ Engage in large scale redevelopment
- ★ Create mixed-income, mixed-use communities
- ★ Ensure mixed-income communities include people of all income ranges
- ★ Attract and retain middle-income families with children
- ★ Ensure affordable housing for both rental and homeownership.
- ★ Allow for “Gold Coast” (high-end luxury development) to support tax base.
- ★ Preserve affordable homeownership where it exists now

*For direct quotes from the interviews, please go to [www.baltimorecitycouncil.com](http://www.baltimorecitycouncil.com) and on the “Task Force on Inclusionary Zoning,” or go to [www.cphabaltimore.org](http://www.cphabaltimore.org) and click on Housing Policy.*

## Appendix C: Participants of the Baltimore City Task Force on Inclusionary Zoning and Housing

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Steve Avelleyra, Southern Management	Seema Iyer, Baltimore City Dept. of Planning
Elinor Bacon, ER Bacon Development	Harriett Kesler, Beyond the Boundaries
Michael J. Benelli, MCIL	Joseph T. Landers, Greater Baltimore Board of Realtors
Carolyn Blakeney, Office of President Sheila Dixon	Steve Langhorne, Baltimore Resident
Carolyn Boitnott, BNI	Michael Lee, Community Advocate
Toby Bozzuto, Bozzuto Development Co.	Brian Levine, Home Builders Association of Maryland
Reverend David Casey, BRIDGE	Kevin Lindamood, Healthcare for the Homeless
Jennifer L. Coates, Office of Council Services	Linda LoCascio, Shelter Development
Gary Cole, Baltimore City Dept. of Planning	Sandy Marenberg, Marenberg Enterprises Inc.
Carolyn Cook, Greater Baltimore Board of Realtors	Brian McLaughlin, Fannie Mae Baltimore
Greg Countess, Legal Aid	Rebecca Murphy Jones, Savannah Development Corp
Ed Crawford, Independent Consultant	Joe Nathanson, Urban Information Associates
Ruth Crystal, League of Women Voters of MD	Brother Jerry O'Leary, Beyond the Boundaries
Devon Dodson, Greater Baltimore Committee	Helene T. Perry, Southwest Visions, Inc.
Rita Evans, TRE Community Outreach	Nicole Price, Local 1199
Arlene Fisher, Lafayette Sq. Assoc. & NAACP	Stephen Rice, Greater Baltimore Urban League
Ayrika Fletcher, Community Advocate	Zelda Robinson, MEAIA, Inc.
Kirby Fowler, Downtown Partnership	Otis Rolley III, Baltimore City Dept. of Planning
Andy Freeman, Harborview	Nolan Rollins, Greater Baltimore Urban League
Jay T. French, The French Companies	Leslie Rosenthal, Builders 1st Choice
Martin French, Baltimore City Department of Planning	Jake Ruppert, Homebuilders Assoc. of MD, Baltimore and Ruppert Homes, Inc.
Angela Gibson, Office of the Mayor	Barbara Samuels, ACLU of MD
Tranell Guthrie, Baltimore City Department of Planning	Cathy Schap, BRIDGE
Rick Gwynallen, Reservoir Hill Improvement Council	Brad Schlegel, Barclay Leadership Council
Carol Gilbert, Goldseker Foundation	Tim Schneid, Baltimore City Dept. of Planning
Laura Gillis, Baltimore Homeless Services	Adam Schneider, Health Care for the Homeless
Marian Gillis, Community Advocate	Christopher Shea, Baltimore Housing
Zachary Hall, Bon Secours	Jim Shetler, Patterson Park CDC
Jane Harrison, Baltimore Homeless Services	Greg Sileo, Baltimore Homeless Services
Cheryl Hamilton, Adaoha Properties, LLC	Kurt Sommer, Baltimore Housing
Bibi Hidalgo, Citizens Planning and Housing Association	Charles L. Smith, Office of Councilmember Jack Young
Bill Henry, Patterson Park CDC	Likivu Speaks, Student, University of Baltimore
Jeff Hettelman, Shelter Development	Stan Steele, Diakon Housing & Development
Walter Horton, Baltimore City Office of the Comptroller	

## **Appendix C: Participants of the Baltimore City Task Force on Inclusionary Zoning and Housing (continued)**

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Jeff Stern, Enterprise Community Investment

Joe Stocks, Amazing Grace ELCA

Remington Stone, Faith Fund

Linda Towe

Beatrice L. Tripps, Office of President Sheila Dixon

Sara West, Reservoir Hill Improvement Council

Frank Wise, Harborview

Joe Woolman, Gilclea & Schmidt, LLC

Rod Womack, CIMG Real Estate

Matthews Wright, Baltimore City Planning Commission



## Appendix D: Calendar of Task Force Sessions, Strategy Work Groups, and Interviews

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1. **Organizational Meeting**, Nov. 14, 2005, Reeves Conference Room, Baltimore City Hall
2. **Overview of Critical Components of Inclusionary Zoning and Best Practices**, David Rusk, National Expert on Urban Policy, Dec. 12, 2005, Reeves Conference Room, Baltimore City Hall
3. **What's Going on in the Baltimore Market?** Dunbar Brooks, Baltimore Metropolitan Council, Michael Sarbanes, CPHA, Robin Zimble, Baltimore Housing, Kurt Sommer, Baltimore Housing, Tim Schneid, Baltimore City Dept. of Planning, Mark Shapiro, Greater Baltimore Board of Realtors, Tracy Gosson, Live Baltimore, Mark Sissman, Healthy Neighborhoods Inc., and Sandy Newman, Johns Hopkins University, Jan. 19, 2006, Reeves Conference Room, Baltimore City Hall.
4. **Baltimore in a National Context**, Richard Baron of McCormack, Baron & Salazar, Jan. 24, University of Baltimore Business Center, BC-221
5. **Incentives/ Cost-Offsets**, Jan. 27, Greater Baltimore Committee, 17th Floor
6. **Layering Inclusionary Zoning with other Programs**, February 10, Reeves Conference Room, Baltimore City Hall
7. **Design Compatibility and Marketing/Sales**, Mark Cameron, Neighborhood Design Center, Tom Liebel, Design Collective Inc. and Jackie Simon, Avery Hess Realtors, Montgomery County, MD, March 1, RTKL Associates, 901 S. Bond Street
8. **Interests and Goals, and Ideas for In-Depth Consideration**, March 21, Baltimore City Dept. of Planning
9. **Recommended Goals**, April 4, Baltimore City Dept. of Planning
10. **Task Force Goals Adoption**, April 18, 2006, Baltimore City Dept. of Planning
11. **Zoning Map and Categories**, April 26, Baltimore City Dept. of Planning
12. **Draft of Recommendations and Christopher Shea, Deputy Commissioner of Development, Baltimore Housing**, May 2, 2006, Baltimore City Dept. of Planning
13. **Gap Between Costs of Building and Affordability; Comprehensive Plan Language; and Second Draft Summary of Recommendations**, May 4, 2006, RTKL Associates, 901 S. Bond Street
14. **Cost Modeling Sessions**: Five cost modeling sessions with a total of 11 developers, March-April, 2006
15. **Strategy Workgroups**: 14 strategy meetings with a total of over 50 participants, April-May, 2006. The Strategy Workgroups focused on the following topic areas:
  - a. Where Land is Already Residentially Zoned
  - b. Community Process
  - c. Buyer's Affordability
  - d. City Investment/Support for Revitalization
  - e. Out-of-the-Box Thinking
  - f. Additional Funding Sources
  - g. Maintaining Rental Affordability
16. **One-on-One Interviews**: 40 interviews with Task Force members, Participants and City Officials, November -June, 2006
17. **Developer Strategy Session on a Menu of Cost-Offsets**: May 18 and May 26, 2006, Struever Bros., Eccles & Rouse, Inc.

**Final Voting Sessions:** May 25, May 30, June 6 and June 7, 2006.

## **Appendix E: Minority Opinions/Comments**

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The Task Force offered voting members an opportunity to include written comments or opinions. Task Force member, Mark Shapiro, Greater Baltimore Board of Realtors, asked that the following letter be included.



## The GREATER BALTIMORE BOARD OF REALTORS®, Inc.

1306 BELLONA AVENUE, LUTHERVILLE, MARYLAND 21093

410-337-7200 FAX 410-337-2138

Founded 1858

"AMERICA'S OLDEST BOARD OF REALTORS®"

May 24, 2006

Michael Sarbanes, Chair  
Inclusionary Zoning and Housing Task Force  
Citizen's Planning and Housing Association  
Via e-mail – [MichaelS@CPHABaltimore.org](mailto:MichaelS@CPHABaltimore.org)

Dear Michael:

The Greater Baltimore Board of REALTORS® (GBBR) represents 4,700 licensed real estate agents in the Baltimore region. Our membership consists of a diverse group of real estate practitioners who are dedicated to providing a high level of professional service to people of all income levels throughout the Baltimore area. As you can appreciate, the real estate market and the people promoting that market are an integral component of any city's culture and well-being. For nearly 150 years, GBBR has worked in partnership with the City of Baltimore to strengthen not only its real estate market but its communities in order to ensure a viable, prosperous and diverse future for the City. It is our pleasure to continue this partnership by serving as a member of the Baltimore City Task Force on Inclusionary Zoning.

Over the past several months you and your staff at CPHA have led a tremendous effort in organizing and giving direction to the task force created by City Council Resolution 05-0066R. The goals adopted by the Task Force are laudable and GBBR also believes that diversity in incomes, housing stock and employment opportunities working in tandem provide a critical foundation for the success of any jurisdiction. Achieving this foundation can be accomplished in any number of ways but GBBR remains deeply concerned that the recommendations outlined in the draft report will create disincentives to new residential and mixed use development in the City's fragile real estate market. Furthermore, GBBR remains convinced that the supply of affordable housing for homeownership remains strong and that the City's primary focus should be on increasing the incomes of its residents through education and job opportunities and not on decreasing housing prices.

Our latest analysis of the available listings shows that a full 20% of the active listings are priced below \$100,000 and 30% of the active listings are priced below \$150,000. These figures, which disregard all boarded properties in the system, are well within the affordability range for Baltimore's low and moderate income earners and are fairly distributed throughout the City. GBBR recognizes that over the past two years a few selected neighborhoods, mostly concentrated around the Inner Harbor, have experienced tremendous price appreciation. Yet GBBR notes that all City property owners, in all neighborhood groupings, have also experienced remarkable appreciation in the value of their properties during the last two years. Much of this increase was long overdue and demonstrates that neighborhoods throughout the City are rebounding from a previous five year stagnation in the market. Nevertheless, we are seeing signs of a gradual slowing in the City's market across all of the key indicators: average sales price, median sales price, average days on market and the sales price as a percentage of listing price. This is particularly true for homes priced above \$300,000, which have been sitting on the market twice as long as the overall market since December, 2005.

Although the City's market is slowing, it is doing so less quickly than its surrounding jurisdictions and we anticipate that the market will continue to be vibrant through the end of the year. To



Member Board—NATIONAL ASSOCIATION OF REALTORS®



that end, we are extremely concerned about the recommended mandates in the report, especially those that affect truly private market developments. In particular, we are very concerned that the set-aside requirement for low and very low purchasers in private developments will frustrate and deter future private investment in the City's housing market. As we all heard over the course of our meetings, these kinds of mixed income developments are complicated projects and require a developer to possess an expertise not widely found outside of the non-profit development arena. GBBR is concerned that the recommendations designed to "make the developer whole" will not be enough to offset the shortcomings these novices to the mixed-income development model will experience.

GBBR is supportive of the City continuing along the path it has adopted over the past several years of requiring a mixed income element in City supported development projects. According to the Department of Housing and Community Development, 2,500 of the 9,500 units developed in the City since 2000 were included in projects that contained either an affordable rental or affordable ownership component. HCD also reports that 3,200 of the 14,000 residential units that are currently in the pipeline are part of projects with an affordable housing component. Given these numbers, along with the trends we are seeing in the City's overall housing market, GBBR believes it is critical that the private market be allowed to work unimpeded by additional mandates and that HCD continue to maintain the flexibility it needs to coordinate housing projects receiving City assistance.

The biggest hurdle facing Baltimore City's residents is not the availability of more lower priced homes, but the lack of a livable income that will allow these residents to achieve homeownership. Census data reveals that a full 50% of the City's residents earn less than \$30,000 per year and 75% of the City's residents earn less than \$50,000 annually. These figures are wholly disproportionate to a region where the percentages are 33% and 50% respectively. Admittedly this high concentration of low wage earning residents puts tremendous pressure on the available units priced between \$75,000 and \$150,000. However, the solution is better found in working to increase annual earnings, not forcing the creation of a larger share of lower priced properties as part of the overall market.

Homeownership aside, GBBR also recognizes that there is a real need for decent and affordable rental units in the City. To that end, GBBR is working with HCD to develop a program that allows rental property owners to access low interest loans to make the necessary capital improvements to their rental housing stock in return for keeping the rents affordable for a period of time. GBBR believes that with the enormous creative talent available to the Task Force, even better solutions could be generated to provide incentives to increase the supply of decent housing at affordable rents that do not involve burdensome mandates.

With regard to the specific recommendations being proposed, GBBR offers the following:

- I. Inclusionary Zoning Where There Is Major Public Subsidy – GBBR believes that these circumstances are the most appropriate under which to require that a percentage of the units be affordable across a broader range of incomes. However, GBBR also believes that any policy should allow the City to remain flexible in carrying out this objective.
  - A. Public Subsidy Triggers: GBBR believes that the sale should be "substantially" below appraised value; major installation or repair of physical infrastructure should only be a trigger if the repair is required for the project to proceed but not when the repairs are being undertaken as part of a regularly planned infrastructure improvement; and "grants" needs to be better defined as to both type of grant and triggering dollar amount.



- B. Green Construction: While GBBR is a strong proponent of encouraging environmentally friendly development, GBBR is concerned that requiring this kind of development for IZ projects could make the overall project cost prohibitive.
- C. New Sources of Financing for Inclusionary Zoning: GBBR believes that the best way to generate a stable revenue stream for the Housing Trust Fund is to dedicate a percentage of all transfer and recordation fees received; the equity-sharing formula should be clearly defined and should not be so onerous as to create a disincentive for buyers to purchase IZ units; impact fees should be based on the need to improve infrastructure and not be a "congestion tax," particularly in light of the proposed use of allowing density bonuses as an offset to the IZ requirement.
- D. Uses of the Housing Trust Fund: GBBR is concerned that the Housing Trust Fund will not receive enough revenue to provide adequate funding for all of the items listed in this section. It may be more beneficial to prioritize these uses and fund the proposed use as adequate funding becomes available. GBBR is also concerned about using Trust Fund monies for the acquisition of properties using the City's eminent domain powers, particularly when not done as part of a comprehensive plan that allowed for substantial public input.
- E. Expand and Streamline City Acquisition & Disposition of Land
  - i. Establish a Land Bank Authority: Given the outstanding success of the SCOPE program, GBBR strongly believes that most, if not all, of the scattered site properties and small clustered properties acquired by the City should be sold through SCOPE without regard to an IZ requirement. SCOPE properties are typically rehabbed and then sold to owner occupants and have been a tremendous boost to private investment in the City's under-performing neighborhoods. GBBR is also concerned that the Community Land Trust model is based on the non-redeemable perpetual 99-year lease or ground rent. GBBR strongly believes that all new ground rents created in the State of Maryland must be redeemable by right, primarily because of the havoc that buyers and sellers experience when there is a ground rent but no readily identifiable ground rent owner.
  - ii. Brownfield Program: Both commercial and residential redevelopments are permitted under the brownfield program. The proposed future use of the land dictates the level of remediation required for a given project. Although GBBR understands that an easy to use fund for minor environmental hazards could be beneficial, GBBR does not support using existing brownfield funding for this purpose. Brownfield funds are limited and should be used solely for the remediation of environmentally contaminated properties.
  - iii. Infrastructure Investments – Parking: GBBR believes that to the extent possible IZ projects should be coupled with transit-oriented

development models so that parking rules associated with the projects can be relaxed.

- II. Inclusionary Housing Where There is Significant Rezoning: GBBR does not believe that a rezoning should trigger an IZ requirement, particularly in light of the city-wide comprehensive rezoning that is being proposed for the near future. Additionally, where there is an urban renewal plan in place, a zoning change will not necessarily affect the permitted density or use of a project.
- III. Inclusionary Zoning Where There Is No Major Public Subsidy Or Rezoning: GBBR strongly objects to a mandated IZ requirement when there is no major public subsidy for the reasons outlined previously.
- IV. Inclusionary Housing By Supporting Buyers, Owners, Responsible Landlords and Rentals: At the outset, it should be noted that foreclosure happens for a variety of reasons to homeowners at all income levels. To the extent that the 2004 foreclosures included affordably priced units, it is quite possible that these units will again be offered on the market at an affordable sales price.
  - A. Strengthen Housing Counseling Continuum: GBBR recommends adding a training component to educate licensed buyer's agents on the special needs of lower income buyers, a recommendation to all buyers to use a licensed buyer's agent to represent them in the transaction and a recommendation to educate those who must sell their home due to financial circumstances to use a licensed professional to maximize the amount of equity that can be preserved for the seller. GBBR is also concerned about possible conflicts of interest when the counseling agency represents the buyer in the purchase of a home or represents a client on the sale of a home as a means to avoid foreclosure.
  - B. Tax Relief and Adjustments: GBBR strongly encourages the retention of tax relief programs like the new construction, historic renovation and rehabilitation tax credit programs for all buyers throughout the City. More importantly, taxes are a major factor in the affordability equation and GBBR strongly encourages the City to undertake a comprehensive review of the City's tax structure and develop solutions for long-term tax relief.
  - C. Expand Tenant's Right of First Refusal: GBBR is very wary about any changes being made to this program. While this law encourages homeownership, it is not intended to address affordability issues. GBBR would not support an expansion of this program to include affordability objectives, particularly if this expansion further diminishes the rights of the current owner to transfer the unit at market price.
  - D. Enhance Home Equity Conversion Mortgages: GBBR believes that any right of first refusal requirement must be clearly linked to a City-supplied enhancement to the program and that the repurchase by the City of these units must be linked to market value at time of sale.
  - E. Preserve Existing Quality Rental: GBBR believes that the City should focus on programs that encourage property owners to make the capital investments necessary to bring units up to code and to install energy-

efficient systems in the units that minimize operating expenses for the property owner and their tenants. Participation in these programs should be linked to an agreement to keep the rents affordable over a period of years.

- V. Grandfathering of Existing Projects: All projects currently in the pipeline at the time of the adoption of an IZ requirement must be grandfathered under existing rules. A project would be deemed in the "pipeline" if a developer has submitted preliminary development plans to the Baltimore City Planning Department. Once this has occurred, the project should be exempt for two years from the submission date.

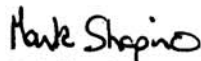
In sum, GBBR applauds the efforts of the Task Force's members and their work but continues to believe that many of the IZ recommendations being proposed goes beyond the basic requirement of providing suitable affordable housing and we are not convinced that the City should impose such a standard on privately owned property. We believe that city-owned property or private housing developments that are adequately government-subsidized should often have an affordable component. We do not believe that zoning changes, zoning variances or other non-financial assistance to private developers should necessarily trigger the affordable housing requirement. However, if it is the goal of the City and its residents to encourage inclusionary housing, we recommend, in cases where government financial assistance is not already involved, that a package of incentives, including tax credits, low interest loans, subordinated loans, density bonuses (if supported by the affected community) and other incentives be offered to the private developer to encourage, but not mandate, the inclusion of affordable housing units.

Finally, in your May 8, 2006 e-mail, you asked for comments and suggested language to a draft statement from the Task force that will be sent to the Baltimore City Planning Department to possibly be included in the Comprehensive Plan. We have emailed our proposed changes and reiterate them below:

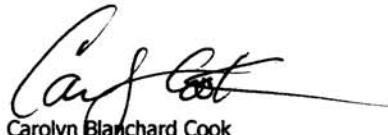
"The City will develop a housing plan to foster and retain a quality mix of affordable housing choices throughout Baltimore. The City Council has appointed a Task Force on Inclusionary Zoning and Housing to make recommendations on such a plan. The goals of the Task Force are to create recommendations for programs to foster the development of units affordable to the entire range of the workforce - the home health aide, security guard, nurse's assistant, EMT tech, artist, teacher, bank manager, computer engineer, and doctor-- as well as seniors, disabled individuals and others on fixed incomes. The Task Force seeks to continue growth and investment in the City by providing sufficient cost offsets and incentives so that these affordable homes are created without impairing economic outcomes to non-profit and for-profit developers. It is anticipated that the Task Force will provide a set of specific recommendations by June, 2006 for consideration by the Planning Commission and City Council as the Comprehensive Plan is adopted."

Thank you again for the opportunity to comment on the proposed recommendations. GBBR looks forward to continuing its participation in the Task Force as we develop sound policy recommendations for the City's future.

Sincerely,



Mark Shapiro  
GBBR Representative



Carolyn Blanchard Cook  
Deputy Executive Vice President



## Appendix F: Summary of Gap between Costs of Construction and Buyer Affordability

### WHAT DOES IT COST TO BUILD/REHAB A HOME?

#### Construction and financing

(architecture and engineering, construction financing, legal, developer fee/profit, fees)

(140k -230k-for basic 1100 sq. ft. town-house, builder quality features)

#### Land

(10k-140k)

#### Infrastructure –

roads, sewers, utilities, lights

### COST OFFSETS/ SUBSIDY TO DEVELOPER

- Rezoning adding residential units or other economic value
- PILOT
- Managed community process
- Design flexibility
- Parking investment or flexibility
- Conditional use flexibility
- New construction tax credit extension on market rate units in inclusionary development
- Inclusionary Housing Trust Fund grant
- Workforce Housing Grant program
- HABC construction funds
- Low Income Housing Tax Credit (very competitive)

#### Free land

(Land bank authority, State Bond pool for predevelopment)

#### TIF

Capital Improvement Plan Investments

### SUPPORT FOR BUYER/RENTER

- Down payment assistance
- Equity sharing
- New construction tax credit extension on inclusionary units
- Inclusionary Housing Trust Fund grants
- Tax reduction (Homeowner Tax Credit, Homestead Tax Credit)
- “Block Super”
- HCVP
- HCVP Homeownership
- Shelter + Care

Credit repair (Difference in mortgage payment between score of 600 and 700 is \$158 per month)

Pay rent build credit  
Homeownership counseling



## Appendix F: Summary of Gap between Costs of Construction and Buyer Affordability (continued)

### WHAT CAN A HOUSEHOLD AFFORD IN HOUSING COSTS? (FAMILY OF 4)

#### \$86,625, < 120% AMI

First year Associate at a Law Firm

Rent: \$2166

Sales: \$264,284

#### \$72,000, 100% AMI

Computer Scientist

Rent: \$1805

Sales: \$220,237

#### \$57,000, < 80% AMI

Teacher, postal clerk, plumber, firefighter, physician's assistant

Rent: \$1444

Sales: \$176,000

#### \$43,000, < 60% AMI

50% of City – this is Baltimore City median income. Carpenter, EMT/paramedic, ambulance driver,

Rent: \$1083

\$131,000

#### \$21,656, < 30% AMI

Home health aide, security guard, school bus driver

Rent: \$541

Sales price: \$66,000

### PRESERVING QUALITY AFFORDABLE

#### HOMEOWNERSHIP

Home Equity Conversion Mortgage

Emergency Assistance Bridge loan

Maintenance loan program

#### RENTAL

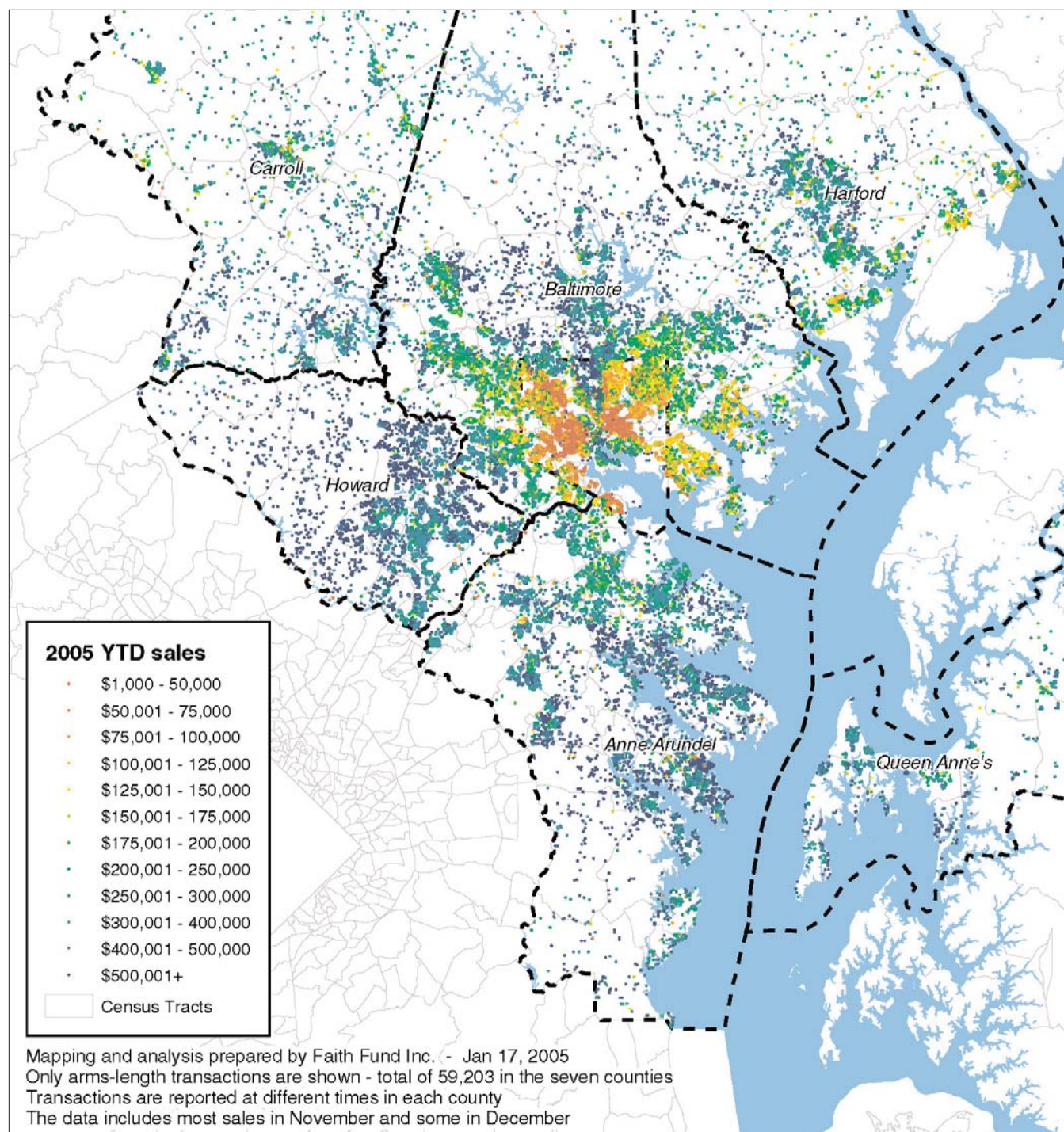
Right of first refusal by City on subsidized multi-family rental

Right of first refusal by tenant on single family unit

Condo conversion protections

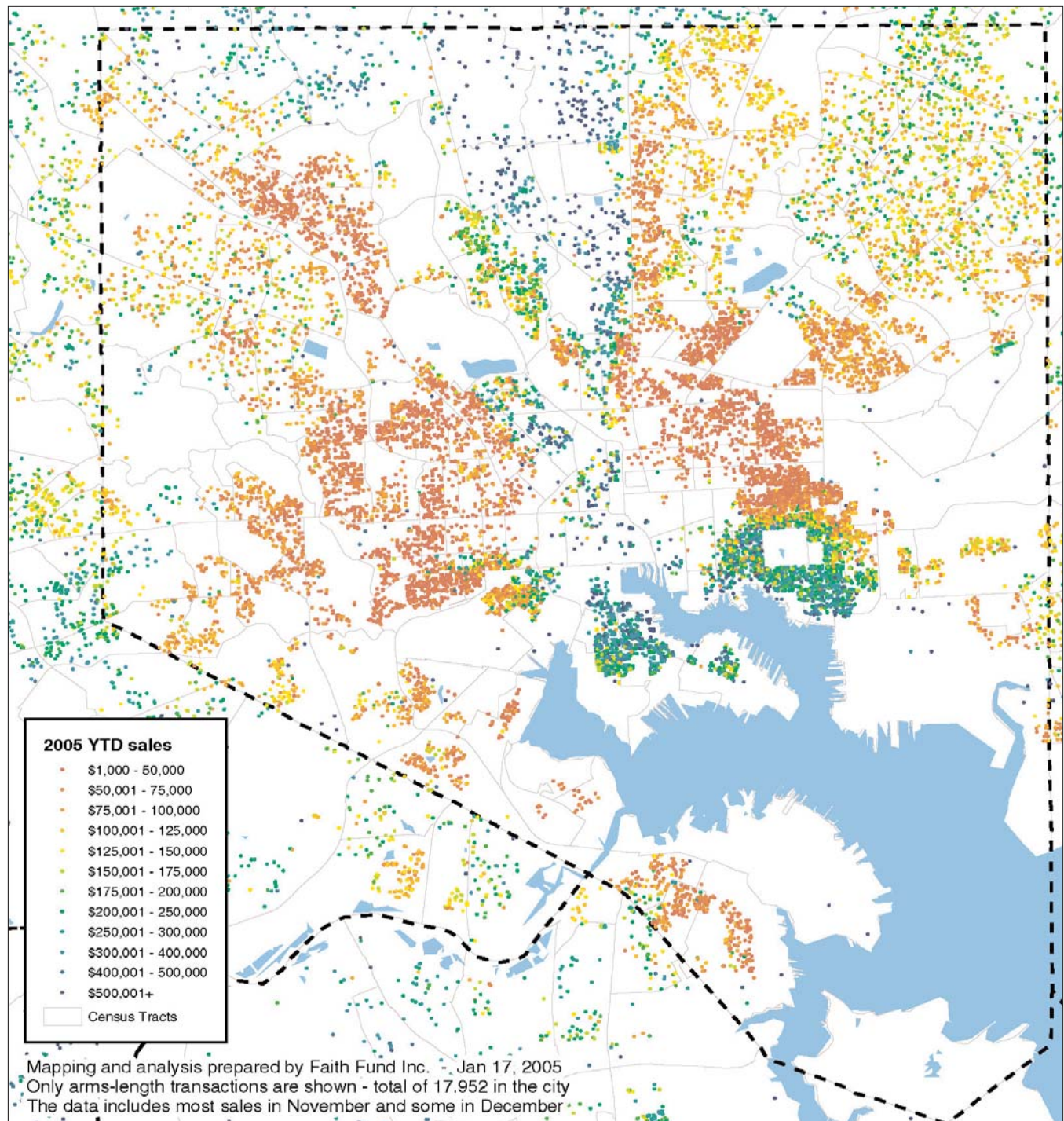
## Appendix G: Maps and Tables

### 2005 Sales in Baltimore Region (through November)



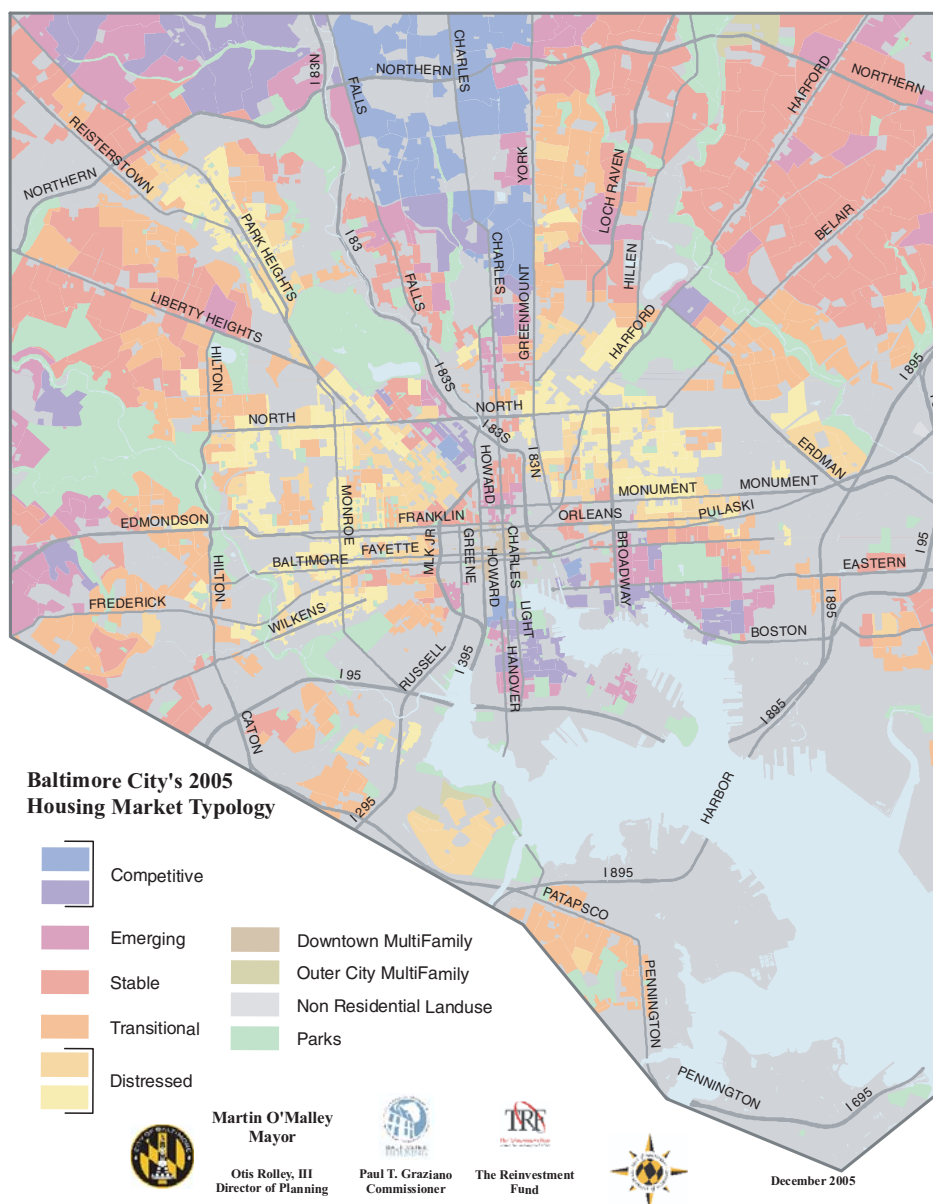


## 2005 Sales in Baltimore Region (through November)



## Appendix G: Maps and Tables (continued)

### Baltimore City's 2005 Housing Market Typology



## Base Density for Baltimore City

Zoning Category	General Landuse Description	Allowable Use	Minimum Lot Size (Sq. Ft, Per DU)	Max Height	FAR	Yield Per Acre
R-1	Residential	Detached	7,300	35 ft.	N/A	5.97
R-1-A	Residential	Detached	14,520	35 ft.	N/A	3.00
R-1- B	Residential	Detached	21,780	35 ft.	N/A	2.00
R-2	Residential	Detached	7300	35 ft.	N/A	5.97
	Residential	Semi-Detached	7300	35 ft.	N/A	5.97
	Residential	Multiple Family detached*	7300	35 ft.	N/A	5.97
R-3	Residential	Detached	5000	35 ft.	N/A	8.71
R-4	Residential	Detached	5000	35 ft.	N/A	8.71
	Residential	Semi-Detached	5000	35 ft.	N/A	8.71
	Residential	Multiple Family detached*	5000	35 ft.	N/A	8.71
R-5	Residential	Detached	5000	35 ft.	N/A	8.71
	Residential	Semi-Detached	3000	35 ft.	N/A	14.52
	Residential	Single Family Attached Dwellings – not exceeding 6 in a row or group	2500	35 ft.	N/A	17.42
	Residential	Multiple Family Detached*	2500	35 ft.	0.7	17.42
R-6	Residential	Detached	5000	N/A	N/A	8.71
	Residential	Semi-Detached	3000	N/A	N/A	14.52
	Residential	Single Family Attached Dwellings – not exceeding 9 in a row or group	1500	N/A	N/A	29.04
	Residential	Multiple Family Detached	1500	N/A	1.0	29.04
R-7	Residential	Detached	5000	N/A	N/A	8.71
	Residential	Semi-Detached	3000	N/A	N/A	14.52
	Residential	Single Family Attached Dwellings – not exceeding 9 in a row or group	1100	N/A	N/A	39.60
	Residential	Multiple Family Detached	1100	N/A	1.2	39.60
	Residential	Multiple Family Attached Dwellings – not exceeding 9 in a row or group	1100	N/A	1.2	39.60
R-8	Residential	Detached	5000	N/A	N/A	8.71
	Residential	Semi-Detached	2000	N/A	N/A	21.78
	Residential	Single Family Attached Dwellings – not exceeding 12 in a row or group	750	N/A	N/A	58.08
	Residential	Multiple Family Detached	750	N/A	2.0	58.08
	Residential	Multiple Family Attached Dwellings – not exceeding 12 in a row or group	750	N/A	2.0	58.08

## Appendix G: Maps and Tables (continued)

### Base Density for Baltimore City

Zoning Category	General Landuse Description	Allowable Use	Minimum Lot Size (Sq. Ft, Per DU)	Max Height	FAR	Yield Per Acre
R-9	Residential	Detached	5000	N/A	N/A	8.71
	Residential	Semi-Detached	2000	N/A	N/A	21.78
	Residential	Single Family Attached Dwellings — not exceeding 12 in a row or group	750	N/A	N/A	58.08
	Residential	Multiple Family Detached	550	N/A	3.0	79.20
	Residential	Multiple Family Attached Dwellings — not exceeding 12 in a row or group	550	N/A	3.0	79.20
R-10	Residential	Detached	5000	N/A	N/A	8.71
	Residential	Semi-Detached	2000	N/A	N/A	21.78
	Residential	Single Family Attached Dwellings — not exceeding 12 in a row or group	750	N/A	N/A	58.08
	Residential	Multiple Family Detached	200	N/A	6.0	217.80
	Residential	Multiple Family Attached Dwellings — not exceeding 12 in a row or group	200	N/A	6.0	217.80
OR-1	Office/Residential	Dwellings	2500	40 ft.	1	17.42
OR-2	Office/Residential	Dwellings	550	N/A	3	79.20
OR-3	Office/Residential	Dwellings	200	N/A	6	217.80
OR-4	Office/Residential	Dwellings	200	N/A	12	217.80
B-1-1	Commercial	Dwellings	5000	40 ft.	0.8	8.71
B-1-2	Commercial	Dwellings	1,100	N/A	2.5	39.60
B-1-3	Commercial	Dwellings	550	N/A	5.5	79.20
B-2-1	Commercial	Dwellings	5000	N/A	0.8	8.71
B-2-2	Commercial	Dwellings	1,100	N/A	2.5	39.60
B-2-3	Commercial	Dwellings	550	N/A	5.0	79.20
B-2-4	Commercial	Dwellings	200	N/A	7.0	217.80
B-3-1	Commercial	Dwellings	5000	N/A	0.8	8.71
B-3-2	Commercial	Dwellings	1,100	N/A	2.5	39.60
B-3-3	Commercial	Dwellings	550	N/A	5.0	79.20
B-4-1	Commercial	Dwellings	170†	N/A	8.0	256.24
B-4-2	Commercial	Dwellings	120†	N/A	14.0	363.00
B-5-1	Commercial	Dwellings	N/A†	N/A	8.0	N/A
B-5-2	Commercial	Dwellings	N/A†	N/A	14.0	N/A

\* Conditional Use

† Please see Baltimore City Zoning Code for Floor Area premiums

## Appendix H: Distribution of Construction Project Size in Baltimore City Since 2000

Status	Total		Projects Under 10 Units		Projects Between 10 - 19 Units		Projects Between 20 - 29 Units		Projects Between 30 - 49 Units		Projects Over 50 Units	
	Units	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects
Complete	5877	63	34	7	86	6	29	1	493	13	5235	36
Under Construction	3628	42	32	5	67	5	124	5	233	6	3172	21
Planning	6393	32	0	0	42	3	56	2	224	6	6071	21
Conceptual	8234	14	0	0	0	0	0	0	0	0	8234	14

Source: Baltimore Housing

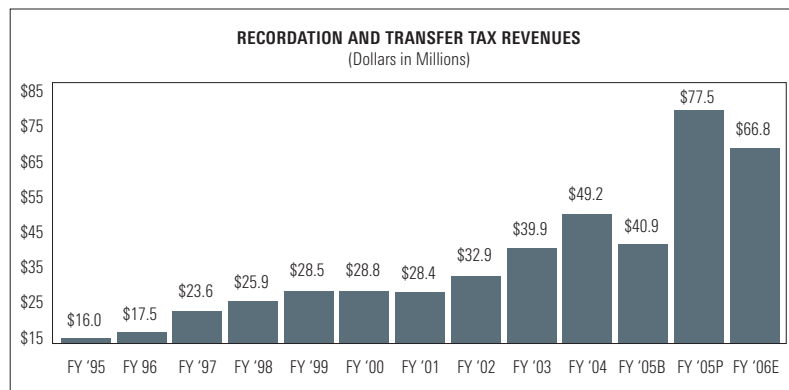


## Appendix I: Revenue Histories

### Financial Information on City transfer taxes and recordation fees:

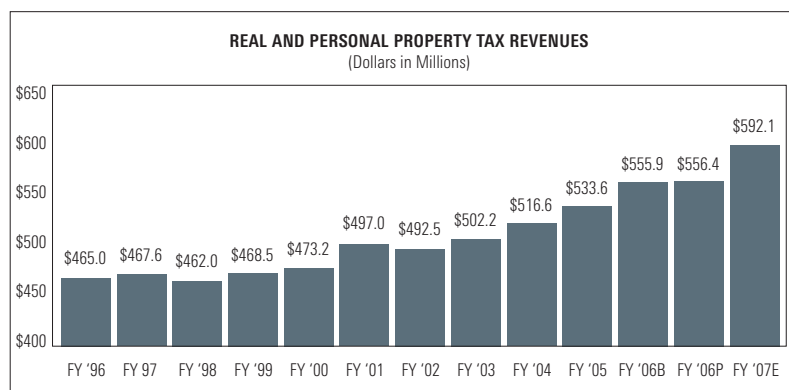
20% of total transfer tax and recordation fees

FY03-06 46.54m



20% of increase of property taxes collected by the City

FY03-FY06 12.78, FY07P 7.14





## Appendix J: Description of Cost-Offsets

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### COST OFFSET

### DESCRIPTION

Inclusionary rebate of transfer tax/recording fee action  
— on all units in development  
— rebate at closing

This would refund the taxes levied when a title is transferred or when an active is recorded in the public record on all units in the development. These taxes would be rebated at closing.

Initial direct per unit subsidy to developer of \$30,000

This subsidy would be provided directly to the developer on a per unit basis.

### OFFSETS THAT VARY IN VALUE OR APPLICABILITY ACCORDING TO PARTICULAR DEVELOPMENT

Rebate (at closing) of recordation tax on mortgage

This would rebate the tax levied by government on recording a mortgage in the public record.

Rebate (at closing) of transfer tax/recording fee on land based on builder filing of IZ intent with City zoning

This would rebate at closing any fees related to land title transfers or recording transfers in the public record, based on the builder filing an inclusionary zoning

Special inclusionary financing

Special inclusionary housing financing will require a range of modified products and lending relationships. Special inclusionary financing in a cost offset menu should provide more advantageous rates than existing loan products.

Reduction in parking requirements

This would reduce the number of parking spaces the developer is required to create if the developer builds affordable units.

Expedited facilitated community and government review

Expedited facilitated community and government review process would be a clearly defined, time-limited process facilitated by community planner. Process would have clear steps for notification of community, a standard basic form for what information should be provided to community, a number of facilitated meetings between community and developer arranged by community planner, clear delineation of relevant topics for discussion at these meetings, clear communication of process and relevant decision-making bodies (UDARP, BMZA, CHAP, Planning Commission, City Council), and time limits for scheduling consideration by relevant decision-making body. This should provide communities with more uniform information and a transparent process. It should also make the review process more predictable for developers. It would leave the decision-making authority in the same places as under current processes.

## Appendix J: Description of Cost-Offsets (continued)

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COST OFFSET	DESCRIPTION
Set-back flexibility*	This would allow for some flexibility in the size of the setback required by the zoning regulations, increasing the available property space for building.
Automatic height increase*	This would allow developers to increase the height of the development beyond current parameters.
Automatic private street width reduction*	This would allow developers to reduce the width of private streets within the development.
Conditional use flexibility	Additional uses that an inclusionary development can choose by right.
Priority for Brownfields funding	A priority will be given to inclusionary developments for Brownfields funding.

### OFFSETS AVAILABLE ONLY IF INCLUSIONARY UNITS ARE AT A PRICE POINT BELOW 80% AMI FOR HOMEOWNERSHIP OR 60% AMI FOR RENTAL

Bonus units equal to the number of inclusionary units	This will allow more market priced units to be built, equaling the number of inclusionary units built.
Bonus units equal to 2 times the number of inclusionary units	This allows twice as many bonus units to be built as inclusionary units.
Additional direct per unit subsidy to developer of \$30,000 per inclusionary unit	The developer is able to opt to receive an additional direct subsidy of \$30,000 per inclusionary unit where addressing price points below 80% AMI for homeowners and 60% AMI for rentals.

## Appendix K

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### **BENI's Principles of Preferred Agents**

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**A. In connection with any buyers who are interested in purchasing in Belair-Edison, as a preferred agent I agree to the following principles:**

1. Encourage my clients to attend homebuyer counseling at Belair-Edison Neighborhoods, Inc. (BENI), and I will encourage them to heed the advise from BENI.
2. Encourage my clients to review several lender programs to find the best deal for them.
3. Encourage my clients to pursue mortgages from reputable lenders who will not take advantage of them with high interest rates, high points, excessive fees, pre-payment penalties, etc.
4. If my client does not yet qualify for a mortgage within those limits, I will encourage them to wait to purchase a home, until they are ready.
5. Encourage my clients to buy within their price limits.
6. Encourage my clients to get a home inspection before purchasing a home.

If I do not act in good faith on any of these terms, I understand that my status as a preferred agent with BENI could be terminated. The agent may re-apply at a later date to be reviewed for possible reinstatement.

**B. In connection with any sellers of homes in Belair-Edison, as a preferred agent I agree to the following principles:**

7. Encourage my clients to work with BENI to sell their home.
8. Encourage prospective buyers to seek information at BENI.
9. Encourage my clients to price their house at market value, with price adjusted in accordance with the condition of the property

If I do not act in good faith on any of these terms, I understand that my status of a preferred agent with BENI could be terminated. The agent may re-apply at a later date to be reviewed for possible reinstatement.

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Signature

Date

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Witness

Date

## **Appendix K (continued)**

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### **Become a Belair-Edison Preferred Agent**

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Belair-Edison Neighborhoods, Inc. (BENI) is one of the premier home ownership counseling agencies in Baltimore City. Our homeownership counselor saw close to 500 individual pre-purchase clients in 2005. 35% of those were ready to buy a home after their first appointment. Another 20% of those clients should be ready to buy a home in the next year.

Belair-Edison house prices on the Multiple List Service have increased xx% in the last year, xx% since 2000. Our website, [www.belair-edison.org](http://www.belair-edison.org) highlights homes for sale in the neighborhood. Our homes for sale and event alert email goes out to 233 recipients, and the list is growing continuously. We advertise homes for sale and events in Baltimore's City Paper on a weekly basis.

BENI values the relationship it has built with you, the real estate agents in Belair-Edison. Because of this, we'd like to invite you to become a preferred agent.

#### **Why?**

1. Client Referrals for both sellers and buyers.
2. Your name and contact information will be listed on our website.
3. You'll receive updated emails on what's for sale in Belair-Edison.
4. Belair-Edison houses you list will be highlighted on our website and through our online email list.
5. We'll help you sell homes in Belair-Edison, through City Paper ads, hosting open houses, highlighting your property on website & through our online email list.
6. Free advertising in Belair-Edison's Neighborhood News.

#### **How?**

1. Attend a Belair-Edison Realtor Luncheon, and agree to BENI's Principles of a Preferred Agent.
2. Refer at least three buyers to BENI for counseling with at least one of your clients buying in Belair-Edison; OR work with BENI to sell at least two houses in Belair-Edison.
3. Provide 2 satisfied customer references.

## Footnotes

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- <sup>1</sup> Hopkins, Jamie Smith. "Own home 'out of the question' for many." Baltimore Sun, 16 March, 2006, p. A1.
- <sup>2</sup> "Nicolas Retsinas on the State of the Nation's Housing", Joint Center for Housing Studies, Harvard University, <http://www.ksg.harvard.edu/ksgnews/KSGInsight/retsinas.htm>
- <sup>3</sup> Fleishman, Sarah. "Moving In and Moving On." Washington Post. 26 Nov. 2005, p. F.01.
- <sup>4</sup> While HUD calculates the Area Median Income every year, more detailed census data identifying different income levels is done once every 10 years.
- <sup>5</sup> This initial five-year period could be somewhat equivalent to the typical five- year period required for an employee to vest under a traditional company pension program.
- <sup>6</sup> For example, at a \$265,000 inclusionary purchase price (120% AMI), if a purchaser were provided a \$15,000 settlement expense grant and a 15% equity share, his/her monthly payment could be reduced by \$365/month. A condo fee exceeding this amount would require that a purchaser have an income in excess of 120% AMI, rendering it infeasible to maintain an inclusionary unit in the development.
- <sup>7</sup> Cite to National Housing Act 1947
- <sup>8</sup> Blanton, Kimberly. "More are Struggling to Pay The Mortgage." Boston Globe. 10 May 2006.
- <sup>9</sup> Homepage of Baltimore Homeless Services, [www.ci.baltimore.md.us/government/health/homelessness.html](http://www.ci.baltimore.md.us/government/health/homelessness.html)